

POSTAL NEWS

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1. Postal Service considers customer experience improvements

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The US Postal Service is planning to improve the customer experience as part of its broader effort to create new revenue sources, postal officials said November 17 at a Mailers Technical Advisory Committee meeting.

“A major goal of mine is that I want us to provide a better customer experience,” said Patrick Donahoe, deputy postmaster general and COO, who will become postmaster general December 3. “[The USPS should consider] how we do some basic things around mail acceptance and how we deal with customers at the acceptance units. We should look at changing some of those things.”

While the Postal Service reported its strongest delivery performance scores in FY 2010, which ended September 30, it did not score as well in terms of customer experience. In particular, small- and medium-sized businesses rated their customer contact as satisfactory only 52% of the time.

Paul Vogel, president of mailing and shipping services at the USPS, said an improved customer experience is key to growing revenue.

Vogel, who spent two years in the private sector before returning to the Postal Service, said, “My experience has been, and what I am hearing from customers, is that we are too difficult to do business with.”

He said the organization has too many rates and regulations, adding that the USPS' Domestic Mail Manual (DMM), which includes all of its 1,300 rate cells and regulations for mail at discounted rates, is four inches thick.

“There are all sorts of things we can do to improve the customer experience,” Vogel said. “Some of this requires changes to the DMM, rule changes and new technologies.”

There are some easy things too, like better communications about our products and services.”

Although the Postal Service regularly looks at simplifying its mail preparation rules and complex rate structure, that effort worries some commercial mailers, who feel it threatens the USPS' worksharing program. That initiative provides discounted postage prices to mailers that do mail preparation work before entering their mail into the system.

One mailer at the MTAC meeting asked Vogel where worksharing fits into his vision of a simplified postal system.

“I don't know,” Vogel answered. “How do we simplify the process so an average smart person can do business with the USPS? It's too difficult to do business with us. I see worksharing as a component piece of a vibrant business, but I don't know if the way we do worksharing now is the simplest way to do business.”

Vogel cited the “Summer Sale” program, in which the USPS gave pricing incentives to encourage Standard Mail volume growth, as an example of a simplified pricing approach.

“I think it was absolutely the right thing to do, but I wonder why we only do it in summer,” he said.

Correction: An earlier version of this story misidentified the fiscal year the US Postal Service reported its strongest delivery scores. That fiscal year was FY 2010.

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2. To save Postal Service, modernize

By SEN. TOM CARPER | 11/19/10 4:32 AM EST Updated: 11/19/10 8:37 AM EST

If you stand on the corner outside New York's Penn Station, you will see this inscription above the entrance to the United States Postal Service Building: “Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds.”

The inscription doesn't say anything about e-mail, the Internet, Facebook, Twitter, FedEx or UPS keeping couriers from their rounds. But times are changing. People are moving into the 21st century — and it's time the U.S. Postal Service did as well.

For more than 200 years, the Postal Service has delivered mail regardless of the challenges, leading most Americans to believe it would always be there when needed. But that may not be the case for much longer.

The combination of a slow economic recovery, rapid technological and cultural changes and congressional inaction could derail the agency in a way that bad weather, natural disaster or terrorist attacks never could.

This recession hit the Postal Service and its customers earlier and harder than most businesses. Large mailers, such as magazine publishers and financial services companies, have gone out of business, reduced advertising budgets or shifted to electronic communication. The result: catastrophic losses and budget deficits for the Postal Service.

Despite heroic efforts to cut costs, the service lost about \$8.5 billion in the past fiscal year. If nothing changes, the service estimates it could run a \$230 billion deficit within 10 years.

Even more disturbing, the Postal Service projects it could run out of cash and borrowing authority in the next year — jeopardizing mail service.

We can still avert this crisis if Congress takes a few steps to shore up the Postal Service's finances and liberates management to make changes.

To preserve key postal services — without resorting to massive price increases — we need to do three things: Fix the broken retiree benefits system, streamline operations and allow the Postal Service to offer additional products and services that can make money. The comprehensive postal reform legislation I introduced last month could do just that.

First, we must address the Postal Service's two biggest financial liabilities: excessive pension payments and the cost of retiree health care.

Because of a complicated, outdated formula, the Postal Service has overpaid its obligations to the old Civil Service Retirement System by tens of billions of dollars. It should be allowed to use savings from fixing this problem to fund future retiree health benefits.

Addressing these obligations would save about \$6 billion a year, freeing up resources that could be used elsewhere.

Second, Congress must empower postal management to carry out proposals to reduce costs, streamline operations and preserve vital services. Saturday home delivery is a nice service. So is having a post office in nearly every small town in America.

But these services have grown unaffordable as Americans have turned to other forms of communication. The Postal Service could save at least \$3 billion a year if it were allowed to phase out most Saturday delivery. It could save even more money, and improve service, if Congress allowed it to close unneeded post offices and open cheaper retail options — such as automated kiosks or postal stations in grocery stores.

These measures make a lot of sense — especially when people are using mail services less and less.

Finally, Congress must allow the Postal Service to offer additional products and services that actually make money.

Right now, the Postal Service competes against FedEx and UPS with one hand tied behind its back. It's prevented from offering profitable services like shipping wine and beer. If it were allowed to offer a broader range of products and services, it could better monetize its vast delivery, logistics and retail network.

Working with state and local governments could offer another potential funding stream. The Postal Service could then expand public access to a range of government services — from voter registration to driver's license renewal.

The challenges confronting the Postal Service may pose the most serious threat to its existence since its creation. Implementing common-sense reforms, however, will very likely preserve the agency's ability to provide services that millions of Americans depend on.

A few of these changes won't be easy. They will require shared sacrifice from Postal Service customers, employees and management — as well as from Congress. But if we're willing to work together, we can help the Postal Service survive this financial storm and emerge stronger than before.

Sen. Tom Carper (D-Del.) is chairman of the Federal Financial Management, Government Information, Federal Services and International Security Subcommittee of the Senate Committee on Homeland Security and Governmental Affairs.

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3. U.S. Postal Service offering special flat-rate box

Posted: Nov 20, 2010 2:39 AM Updated: Nov 20, 2010 8:16 AM

HONOLULU (HawaiiNewsNow) - The U.S. Postal Service has a special offer just in time for the holiday season.

A limited-edition flat-rate box will be available at no charge.

The flat-rate fee is \$14.50, and customers can mail anything that fits inside and weighs up to 70 pounds.

The boxes will be available at the post office starting Nov. 22, and supplies are limited.

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